

**CERTIFICATION OF ADMINISTRATIVE RULES  
OF THE DEPARTMENT OF REVENUE  
FILED WITH THE SECRETARY OF STATE  
BRIAN P. KEMP**

(Pursuant to O.C.G.A. §§ 50-13-3, 50-13-4 and 50-13-6.)

I do hereby certify that the attached Rules are correct copies as promulgated and adopted on the 1<sup>st</sup> of October, 2010.

GEORGIA DEPARTMENT OF REVENUE


Filing Date: October 1, 2010.

The Georgia Department of Revenue has adopted:

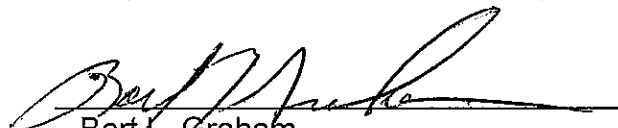
- 560-2-4-.01, entitled "Wholesaler; Additional Requirements."
- 560-2-4-.02, entitled "Special Charges."
- 560-2-4-.03, entitled "Transportation of Distilled Spirits; Vehicle Requirements."
- 560-2-4-.04, entitled "Transportation of Distilled Spirits; Limitations."
- 560-2-4-.05, entitled "Trade Practices – Inventory Rotations; New Brands; Displays and Bins. "
- 560-2-4-.06, entitled "Sale Limitation; Delivery."
- 560-2-4-.07, entitled "Wholesaler Price Lists Distilled Spirits and Malt Beverages."
- 560-2-4-.08, entitled "Inventories."
- 560-2-4-.09, entitled "Audits; Assignment of Auditors; Due Cause."
- 560-2-4-.10, entitled "Requirements for Salespersons and Representatives of Wholesalers."
- 560-2-4-.11, entitled "Warehouse – Hub and Spoke Operations."

The aforementioned Rules are being adopted under the authority of O.C.G.A. §§ 3-2-2, 3-2-6, 3-2-33, 3-2-35, 3-3-27.1, 3-4-26, 3-4-152, 3-5-31 and 3-6-25.1.

Sworn to and subscribed before me this 1<sup>st</sup> day of October, 2010.



(Signature of Notary Public)  
(Notary Public Seal)



Bart L. Graham  
Commissioner  
Georgia Department of Revenue

Notary Public, Rockdale County, Georgia  
My Commission Expires Nov. 19, 2012

**RULES  
OF  
DEPARTMENT OF REVENUE  
ALCOHOL AND TOBACCO DIVISION**

**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.01 Wholesaler; Additional Requirements  
of Licensee - Wholesaler.**

(1) A person applying for a license as a Wholesaler shall, in addition to providing the information required by these regulations, provide the Commissioner with:

(a) A copy of the deed or purchase contract for the proposed licensed Premises, if the licensed Premise is owned by the applicant;

(b) A copy of applicant's lease agreement for the licensed Premises if the proposed license Premises is not owned by the applicant;

1. The term of the lease shall not be less than the term of the license sought by applicant.

(c) Applicant's scheduled hours and days of operation including the hours and days when the licensed location is open and staffed.

(2) The Wholesaler shall:

(a) Maintain all inventory records at the licensed Premises for no less than three (3) years;

(b) Maintain all Alcoholic Beverages separately from all other products of the Wholesaler or from the products of any other parties sharing the facility;

1. Any separate location shall be a secured location under the custody and control of only the applicant, its agent, or employees.

(c) Maintain and have custody and control over direct access from outside the facility into the licensed Premises.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.02 Special Charges - Wholesaler.**

(1) Delivery Charges: When a shipment to a Retailer or Retail Consumption Dealer consists only of an order for the delivery of Alcoholic Beverages of less than one case of a single or an assortment of brands, the Wholesaler may charge the Retailer or Retail Consumption Dealer a special delivery charge of no more than twenty dollars (\$20.00) for that delivery.

(2) The amount of a delivery charge shall be the same as applied to all of the Wholesaler's Retailers and/or Retail Consumption Dealers for shipments of less than one case.

(3) All special charges, including fuel surcharges shall be shown on invoices to the Retailer or Retail Consumption Dealer.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.03 Transportation of Distilled Spirits;  
Vehicle Requirements - Distilled Spirits.**

(1) Except for military deliveries as provided in Rule 560-2-15-.03 of these regulations and except for emergency movements as provided in Rule 560-2-2-.16 of these regulations, all transportation of Distilled Spirits from one point within Georgia to another within Georgia shall be by Carrier unless otherwise provided for in this Section.

(2) A licensed Manufacturer may transport its product to a Wholesaler under the same provisions as set forth in this Regulation for a licensed Wholesaler.

(3) A licensed Wholesaler may only transport Alcoholic Beverages in vehicles owned or leased by that Wholesaler.

(a) An Alcoholic Beverage Wholesaler may also transport Alcoholic Beverages in vehicles owned or leased and operated by a Wholesaler's employees;

(b) Any vehicle used to transport Alcoholic Beverage, whether owned by the Wholesaler or by an employee of that Wholesaler, shall be properly identified;

1. Proper identification shall include the Wholesaler's trade name or state license number in a conspicuous place on each side of the vehicle.

2. The lettering for that identification shall not be less than two (2) inches in height and not less than one (1) inch in width, and clearly spaced so as to be clearly visible when read from a reasonable distance.

Authority O.C.G.A. § 3-2-2, 3-4-153.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.04 Transportation of Distilled Spirits;  
Limitations - Wholesaler.**

(1) Transportation of Distilled Spirits shall be made on any day except Sundays and each shipment shall be accompanied by an invoice or itemized list showing in detail the number of cases, the size of containers, Alcohol Type, Brand and price of Distilled Spirits included in the shipment and the point of origin and the point of destination.

(2) No licensed Wholesaler shall transport, or cause to be transported, any Distilled Spirits to any point outside of Georgia without the special approval of the Commissioner.

(3) No other goods, wares, merchandise, or property of any description, except Wine, Malt Beverages and those items that are lawfully sold in a Retailer's licensed location pursuant to Regulation 560-2-3-.04, may be transported in a vehicle transporting Distilled Spirits.

Authority: O.C.G.A. §§ 3-2-2, 3-4-153.

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**CHAPTER 560-2-4  
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**560-2-4-.05 Trade Practices – Inventory Rotations;  
New Brands; Displays and Bins - Wholesaler.**

(1) No Wholesaler, or anyone acting on its behalf, shall alter, disturb, move, rearrange, or remove any Alcoholic Beverage within any Premise of a Retailer or Retail Consumption Dealer, except:

(a) In a retail business where a Malt Beverage Wholesaler has been assigned specific cooler and/or shelf space, the Malt Beverage Wholesaler may affix the price, as designated by the Retailer, and place its Brand Label in an assigned specific cooler and/or shelf space;

1. Wholesaler personnel cannot subsequently change or alter the retail price information affixed to Malt Beverages at time of delivery.

(2) A Malt Beverage Wholesaler may rotate its inventory while stocking its assigned Brand Label within the Place of Business of a Retailer including storerooms, product displays, warm shelves, and coolers.

(3) Upon introduction of a new Brand Label for distribution and sale in Georgia, or within a Wholesaler's sales territory, Wholesalers, at the request of a Retailer or Retail Consumption Dealer, may assist in rearranging available



cooler and/or shelf space which has been previously assigned to the Wholesaler.

(a) This service is permitted only within sixty (60) calendar days of date of receipt of first shipment of the Brand Label by the Wholesaler and is limited to the rearranging of the Wholesalers' designated Brands Labels.

(4) Permitted sales Representatives of Wholesalers, Brokers, Importers, and Manufacturers may deliver generic point-of-sale displays and bins to Retailers provided such displays are made available to all Retailers and Retail Consumption Dealers on equal terms.

(5) The Wholesaler **may** construct displays and bins on the Premises of a Retailer or Retail Consumption Dealer.

(a) These are allowed as part of the Wholesaler's marketing function;

(b) The construction or setup of displays and bins may include initially stocking the display with Alcoholic Beverages;

(c) Any further resets of Alcoholic Beverages associated with the display must be as prescribed under Regulation 560-2-2-.17.

(6) No Wholesaler, Broker, Importer, Manufacturer, or any of their employees or agents shall alter, disturb, block, or in any way impede the property of any other Wholesaler or the products or displays relating to products offered by other Wholesalers.

(7) Wholesalers are not permitted to re-shelve Alcoholic Beverages contained in a display or bin.

(8) Except as provided in Paragraph 3 of this regulation, all services authorized to be performed by a Wholesaler on or within the Place of Business of a Retailer or Retail Consumption Dealer must be performed within five (5) business days (excluding state holidays and Sunday) after the date of delivery by the Wholesaler, its employees, agents, or contractors.

(a) Wholesalers shall maintain written copies of their schedules for a subsequent period of three calendar years and make such schedules available to the Commissioner upon request.

Authority: O.C.G.A. §§ 3-2-2, 3-2-6.

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**CHAPTER 560-2-4  
WHOLESALER**

**560-2-4-.06 Sale Limitation; Delivery - Wholesaler.**

(1) Licensed Wholesalers shall sell only to Georgia Wholesalers, Importers Retailers or Retail Consumption Dealers holding a valid license.

(2) Alcoholic Beverages shall only be delivered to the Premises of such Retailers or Retail Consumption Dealers by a vehicle leased, owned, or authorized by these regulations and operated by a Wholesaler with a proper state-issued license or permit to make sales and deliveries within the municipality or county in which the sale and delivery occurs.

(3) Alcoholic Beverages sold shall not be received, stored, or delivered to any other place than the Place of Business for which a Retailer or Retail Consumption Dealer license has been issued except as otherwise permitted under these regulations.

(4) It shall be a violation of these regulations for any Wholesaler to sell or deliver Brands of Alcoholic Beverages in a territory designated to another Wholesaler for such Brands.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.07 Wholesaler Posted Price for Distilled  
Spirits and Malt Beverages - Wholesaler.**

(1) Every licensed Wholesaler of Distilled Spirits and/or Malt Beverages shall file with the Commissioner a list setting forth all Alcohol Types, Brands, Brand Labels and sizes of Distilled Spirits and Malt Beverages being handled by the Wholesaler for each designated sales territory.

(2) All price listings shall be submitted on Department Form ATT-38 for all Distilled Spirits and Malt Beverages.

(a) All prices listed for Distilled Spirits and Malt Beverages on ATT-38 shall include all federal and state taxes. Malt Beverage listings shall include county and municipal taxes;

(b) No licensed Wholesaler shall make any sale of Distilled Spirits or Malt Beverages for any price lower than the price posted with the Department, except that sales may be made less state tax to persons entitled to exemption from such tax.

(3) Quantity discounts, including cash, merchandise, and free Alcoholic Beverages provided by the licensed Wholesaler must be listed separately from the non-discounted price.

(a) Quantity discounts shall be for the same Brand and Alcohol Type as required to be purchased to participate in the quantity discount listed by the licensed Wholesaler;

(b) Quantity discounts as provided for may not be used as a device or subterfuge to circumvent the provisions of Rule 560-2-2-.13;

(c) The quantity discount price shall be available to all Retailers and Retail Consumption Dealers within the Wholesaler's assigned sales territory;

(d) Quantity discount prices for Distilled Spirits may continue for a maximum of sixty (60) calendar days from the initial date of sale and delivery of the product to the Retailer or Retail Consumption Dealer provided the applicable price posting specifically notes the availability of the extended discount price on specific products;

(e) Quantity discounts for Malt Beverages must be posted at the same time and for the same duration as the actual price posting.

(5) All reported prices shall be effective the Monday following the date of filing with the Department and shall remain in effect until amended.

(6) Prices may not be amended for a period of less than:

(a) Fourteen (14) days from the previous effective filing date for Distilled Spirits;

(b) One hundred eighty (180) days from the previous effective filing date for Malt Beverages.

1. The Commissioner may grant a waiver of the one hundred eighty (180) day period for Malt Beverages when extenuating circumstances are shown and subject to the following conditions:

(i) In the event a change in posted prices for Malt Beverages is requested, the Wholesaler shall submit with the request substantial documentation indicating to the satisfaction of the Commissioner justification for such increase or decrease;

(ii) In the event a waiver in writing is granted for Malt Beverages by the Commissioner pursuant to this Regulation, no subsequent increase or decrease in posted prices shall be permitted within a period of less than one hundred eighty (180) days from the date of the approval and waiver by the Commissioner unless a subsequent waiver is obtained from the Commissioner in the same manner and under the same conditions as specified in this Section.

(7) Every Wholesaler, or Wholesaler employee, when calling on Retailer or Retail Consumption Dealer for the purpose of conducting business, shall have in their possession, and available to such licensee, a copy of the price list as reported to the Commissioner.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.08 Inventories - Wholesaler.**

(1) Every licensed Wholesaler shall prepare a report, on such form as the Commissioner may prescribe, setting forth the total liters by tax category, of Distilled Spirits, Malt Beverages and Wine on hand as of close of business January 31 and July 31 of each year, and at any other time as directed by the Commissioner or by any authorized agent of the Commissioner.

(a) Malt Beverage reports should also specify total containers by size.

(2) The Wholesaler shall file the report with the Commissioner no later than ten (10) days following taking of the inventory.

(a) A detailed record of the physical inventories, broken down by Brand, Brand Label, Alcohol Type and size must be available at all times at the Wholesaler's licensed Premises for verification by employees of the Commissioner.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.09 Audits; Assignment of Auditors; Due Cause - Wholesaler.**

(1) In addition to the audits provided for in Rule 560-2-7-.02, the Commissioner may, upon receipt of information he deems reliable, tending to show that a licensed Wholesaler has failed to account for and remit locally imposed taxes in a timely and businesslike fashion, cause a complete and thorough examination and audit of that Wholesaler's records and the entire business transactions by auditors and investigators of the Department, for the purposes of determining that:

(a) Each taxing jurisdiction has been properly paid the taxes as required;

(b) All applicable state taxes have been paid on each business transaction.

(2) Upon discovery of any discrepancy, the Commissioner shall report any findings to any and all taxing jurisdictions concerned; and

(a) The Commissioner may order the Wholesaler to show cause as to why the Wholesaler's license should not be suspended or revoked, or have other penalties imposed.



(3) The Department shall make available to any local taxing jurisdiction all:

(a) Excise tax reports;

(b) Audit briefs and reports;

(c) Alcoholic Beverage shipment records;

(d) Any other investigative summaries and documents necessary for those taxing jurisdictions to conduct an independent audit of or inquiry into the reports of any licensed Wholesaler.

Authority: O.C.G.A. §§ 3-2-2, 3-2-11, 3-2-32.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4-.10 Requirements for Salespersons and  
Representatives of Wholesalers - Wholesalers.**

(1) No person shall be a salesperson or Representative of a licensed Wholesaler unless:

(a) The employing Wholesaler has notified the Department of the person's appointment as a salesperson or Representative;

(b) The salesperson or Representative has completed and filed, under oath, an application for a permit in the form prescribed by the Commissioner;

(c) The Representative for a Distilled Spirits Wholesaler has paid the permit fee of ten dollars (\$10.00);

(d) The salesperson or Representative has received the permit for which the application is made from the Commissioner;

(e) The permit shall expire upon written notice to the Commissioner by the Wholesaler that it no longer employs the salesperson or Representative.

(2) It shall be a violation of this Regulation for a salesperson or Representative of a licensed Wholesaler to:

(a) Engage in any activity that is in violation of the laws or regulations of any federal, state, county or municipal governing authority, or regulatory agency; and/or

(b) Cause Alcoholic Beverages to be delivered to an unlicensed place of business.

(3) A salesperson or Representative of a licensed Wholesaler violating these regulations may be cited and ordered to show cause as to why his or her permit should not be suspended or revoked.

(4) The Wholesaler of Distilled Spirits or its Representative is required to pay the permit fee of ten dollars (\$10.00) each year in which the person is employed.

Authority: O.C.G.A. § 3-2-2.

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**CHAPTER 560-2-4  
WHOLESALE**

**560-2-4.11 Warehouse – Hub and Spoke  
Operations - Wholesaler.**

(1) With the Department's advance approval, a Wholesaler may utilize leased or owned space as a staging area for the routine transfer of Alcoholic Beverages for delivery within the Wholesaler's designated territory without additional licensing requirements subject to the following requirements:

(a) The Warehouse space must be either owned or leased solely by the Wholesaler;

(b) The Warehouse space is not shared with any other business entity;

(c) The Warehouse space must be located within a jurisdiction that allows the sale and retail consumption of Alcoholic Beverages;

(d) The request for authorization from the Department must contain the street address of the utilized space.

(2) The Wholesaler must attest that:

(a) No business activity will occur at the facility other than the routine transfer of alcohol beverages; and

(b) The facility will not be utilized for direct shipments of Alcoholic Beverages from Shippers/Manufacturers to a Wholesaler.

(3) All Alcoholic Beverages transferred at the facility shall be properly invoiced prior to moving to the transfer facility.

(4) At no time will Alcoholic Beverages be allowed to remain at the transfer facility in excess of two (2) consecutive days.

(5) Departmental approvals shall:

(a) Not extend beyond twelve 12 calendar months from the date of approval;

(b) Be renewed annually during the license renewal process;

(c) Be made a part of the Wholesaler's licensing file maintained by the Department;

(d) Require that any changes to the original request must be submitted in writing and approved in advance.

Authority: O.C.G.A. § 3-2-2.